

TITLE: M&I Shortage Policy - Central Valley Project (CVP)

BACKGROUND: M&I Shortage Policy.

- C There are over 253 CVP water service contracts (including the Sacramento River Water Rights Settlement Contracts) with many varying water shortage provisions. In some contracts, M&I and agricultural use shared shortages equally. In most of the larger M&I contracts, agricultural water was shorted 25% before M&I water was shorted, and then both shared shortages equally.
- C Reclamation agreed to develop a CVP-wide M&I Water Shortage Policy that provided a minimum level of water supply to M&I Contractors. This policy would be incorporated in their existing contracts provided they renew or amend their contract to implement the provisions of the Central Valley Project Improvement Act of October 30, 1992 (CVPIA).
- C Such CVPIA provisions included Contractors implementation of a water conservation management plan deemed adequate by Reclamation, implementation of water measurement program, and inclusion of tiered pricing provisions in their contracts similar to those in Reclamation's proposed draft long-term renewal contracts.
- C The draft M&I Water Shortage Policy was released February 17, 1994 (draft M&I Shortage Policy) to the public for review and comment. It identified three levels of water supply: a regulatory level where the minimum water supply would be the greater of 75 percent of contract entitlement or 85 percent of historic usage; a hydrologic shortage with a minimum level of 75 percent of historic use and finally a public health and safety water supply level triggered when CVP water supplies were severely constrained.
- C The CVPIA Administrative Proposal for Urban Water Supply Reliability dated June 9, 1997, reduced the draft M&I Shortage Policy from three levels to two levels. One level will show the minimum level of reliability to be 75 percent of historic use adjusted for growth and adjusted for quantities of water associated with the implementation of any extraordinary water conservation action and/or practice. The second level will reflect a public health and safety level.
- C The current tasking is to finalize the M&I Shortage Policy incorporating the policies established in the 1997 CVPIA Administrative Proposal for Urban Water Supply Reliability.